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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, NOVEMBER 14, 2001

APPLICATION OF

BARC ELECTRIC COOPERATIVE

CASE NO. PUE010002

For approval of a plan for functional separation

ORDER GRANTING MOTION AND ALLOWING RESPONSE

On November 9, 2001, the Staff of the State Corporation Commission ("Staff") filed a Staff Motion Requesting Leave to File Reply to the Response to the Staff Report filed by BARC Electric Cooperative ("BARC" or the "Cooperative") on November 2, 2001, in the captioned matter.

In its Motion, Staff states that the Cooperative raised issues regarding Staff's recommended functionalization of costs into the generation and transmission ("G&T") function. Such issues include certain administrative and general ("A&G") costs and associated overheads, uncollectible expenses, customer deposits, and interest on customer deposits, costs associated with load management programs, as well as Staff's recommended A&G allocation factors. The Cooperative further objects to Staff's recommended allocation of purchased power costs to the Cooperative's rate classes. BARC also proposes to modify Schedule LP-2 and provide unbundled rates that the cooperative

maintains reflect allocated purchases power costs and other costs shifted to G&T as proposed by BARC. Staff argues that these issues and certain other issues raised by BARC's Response require clarification and further comment by Staff.

NOW THE COMMISSION, upon consideration of the matter, finds that Staff's Motion should be granted, and the Reply accepted, and that the Cooperative should have the opportunity to file any further response it may have to the Staff's Reply.

Accordingly, IT IS ORDERED THAT:

- (1) Staff Motion Requesting Leave to File Reply is hereby granted, and the Reply is hereby accepted.
- (2) BARC may file any further response it may have to this Reply on or before November 27, 2001, with Joel H. Peck, Clerk, State Corporation Commission, Document Control Center, P.O. Box 2118, Richmond, Virginia 23218, and shall serve a copy of the same upon the Staff and all parties of record on this matter.
- (3) This matter is continued for further orders of the Commission.